

## Message Text

UNCLASSIFIED

PAGE 01 MUSCAT 01571 190924Z  
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 AID-05 OES-06 AGRE-00 CIAE-00  
EB-07 FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04  
OPIC-06 SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 FEA-01  
NSC-05 SS-15 STR-04 CEA-01 L-03 /113 W  
----- 060247 /10

R 190620Z DEC 76  
FM AMEMBASSY MUSCAT  
TO SECSTATE WASHDC 2759  
INFO AMEMBASSY ATHENS  
AMEMBASSY MANAMA  
AMEMBASSY TEHRAN  
USDOC WASHDC

UNCLAS MUSCAT 1571

AID FOR KENDRICK AND MOSER; ATHENS AND TEHRAN FOR RTDO; MANAMA  
FOR DODSON

E.O. 11652: N/A  
TAGS: EGEN EAID BEXP MU  
SUBJECT: COMMUNITY DEVELOPMENT IN DHOFAR PROVINCE--SMALL IS BEAUTIFUL

REF: MUSCAT 1512

1. SUMMARY: THE OMANGOV PLANS TO ALLOCATE UP TO \$300 MILLION

TO DHOFAR DEVELOPMENT IN THE NEXT FIVE YEARS. PRIORITY ROAD,  
ELECTRIFICATION, AND MOST OTHER INFRASTRUCTURE PROJECTS ARE ALREADY  
CONTRACTED TO EUROPEAN FIRMS. BEST OPPORTUNITIES FOR AMERICAN  
COMPANIES EXIST IN TOWN PLANNING, WATER RESOURCES DEVELOPMENT,  
AND USE OF ALTERNATIVE ENERGY SOURCES. AMERICAN FIRMS WISHING  
TO COMPLETE IN DHOFAR MUST "THINK SMALL", SAVE ON ENERGY COSTS,  
AND SEEK TO USE AMERICAN ADVANTAGE IN ADVANCED TECHNOLOGY. END  
SUMMARY.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MUSCAT 01571 190924Z

2. DURING THE NEXT FIVE YEARS, THE OMANGOV PLANS TO ALLOCATE  
UP TO \$300 MILLION FOR THE DEVELOPMENT OF DHOFAR PROVINCE.  
A LARGE PART OF THE FINANCING IS EXPECTED TO COME FROM SAUDI  
ARABIA AND KUWAIT, ALTHOUGH SUCH EXTERNAL ASSISTANCE MAY BE  
CONSIDERABLY DELAYED. PRIORITY TARGETS INCLUDE A NETWORK OF  
ROADS AND COMMUNITY CENTERS IN THE MOUNTAINS, ELECTRIFICATION

AND UTILITIES FOR OUTLYING POPULATION CENTERS, A COMPREHENSIVE

TOWN PLANNING IN THE SALALAH AREA. THE OMANGOV EXPECTS THAT AS THE PORT OF RAYSUT IS EXPANDED AND MORE PROJECTS ARE INITIATED, THE TOTAL POPULATION OF SALALAH AND RAYSUT WILL EXPAND GREATLY FROM ITS PRESENT ESTIMATED 40-50,000.

3. BASED ON RECENT EMBOFF VISITS TO DHOFAR, HOWEVER, WE BELIEVE U.S. FIRMS MIGHT NOT ALWAYS BE ABLE TO CASH IN ON THESE AMBITIOUS SCHEMES. BRITISH AND GERMAN FIRMS HAVE ALREADY ACHIEVED A LOCK ON ROAD AND ELECTRIFICATION PROJECTS AND HAVE OBTAINED MOST OF THE CONTRACTS FOR THEGPKWACE. WE BELIEVE THAT THE BEST PROSPECTS FOR AMERICANS IN OMAN LIE IN TOWN PLANNING, WATER RESOURCES, AND AN ALTERNATIVE SOURCES OF ENERGY INVOLVING ADVANCED TECHNOLOGY.

4. TOWN PLANNING IS A PRIME AREA WHERE AMERICAN FIRMS ARE

IN DEMAND, PARTICULARLY SINCE THE BRITISH FIRM OF SIR WILLIAM HALCROW WHICH PERFORMED THIS FUNCTION UNTIL 1974 NOW SEEMS OUT OF FAVOR. AN AMERICAN FIRM HAS ALREADY BEEN CHOSEN TO BUILD A NEW MARKET SQUARE FOR SALALAH, AND AN AMCIT TOWN

PLANNER IS NOW A MEMBER OF THE GOVERNOR OF DHOFAR'S PERSONAL STAFF.

5. WATER IS A PARTICULARLY VITAL RESOURCE FOR DHOFAR DEVELOPMENT, AND AMERICAN FIRMS COULD PLAY A KEY ROLE IN PROPER USE OF WATER RESOURCES. EXCESSIVE AND UNREGULATED PUMPING BY FARMS ON THE SALALAH PLAIN MAY ALREADY BE DEPLETING GROUND-  
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 MUSCAT 01571 190924Z

WATER SUPPLIES AND IS STARTING TO CAUSE SALINITY, WHICH COULD BE A SERIOUS PROBLEM WITHIN TEN YEARS. WF OFFICIAL MONITORING AND LICENSING PROGRAM IS JUST BEGINNING TO COME INTO EFFECT. WATER-SAVING IRRIGATION TECHNIQUES AND MORE ECONOMICAL WATER TREATMENT ARE OBVIOUS NEEDS WHICH COULD OFFER GOOD OPPORTUNITIES FOR U.S. COMPANIES. WE WOULD PARTICULARLY EMPHASIZE SOLAR DISTILLATION AND THE USE OF SALINE WATER FOR AGRICULTURE (REFTEL) AS USEFUL FOR DHOFAR, SINCE CONVENTIONAL DESALINATION FOR SMALL AND WIDELY-SCATTERED COMMUNITIES WOULD BE PROHIBITIVELY EXPENSIVE.

6. ALTERNATE SOURCES OF ENERGY USING ADVANCED TECHNOLOGY WILL BE INCREASINGLY IMPORTANT FOR DHOFAR. ALL FUEL USED IN THE SOUTH MUST BE SENT FROM MUSCAT, 400 MILES TO THE NORTH, MAKING CONVENTIONAL ELECTRICITY GENERATION NOT FEASIBLE FOR THE SMALL COASTAL COMMUNITIES OUTSIDE OF SALALAH. GENERATION OF ELECTRICITY BY PHOTOELECTRIC CELLS OR WINDMILLS IS MUCH MORE PRACTICAL, JUST AS SOLAR-COOLED HOUSING WOULD BE

BETTER THAN AIR CONDITIONERS. SUCH NEW ENERGY SOURCES WOULD BE POLITICALLY DESIRABLE AS WELL, SINCE THE OMANGOV IS SEEKING TO SPUR THE DEVELOPMENT OF NEWLY-LIBERATED COASTAL VILLAGES NEAR THE PDYR BORDER WHICH ARE TOO SMALL AND REMOTE TO USE CONVENTIONAL POWER PLANTS EFFICIENTLY. THE PRINCETON ENERGY GROUP HAS ALREADY EXPLORED THIS FIELD, AND OTHER U.S. FIRMS COULD PROFITABLY INVESTIGATE IT.

7. TO COMPETE EFFECTIVELY IN DHOFAR, AMERICAN FIRMS MUST BECOME USED TO "THINKING SMALL" AND AIMING AT CHEAP, ENERGY-SAVING TECHNIQUES. SELLING GOODS WILL NOT BE ENOUGH; FIRMS MUST THINK IN TERMS OF THE MOST EFFECTIVE PROCESSES FOR THE MARKET THERE. IT WILL PROBABLY BE NECESSARY FOR COMPANIES TO PAY A VISIT TO DHOFAN BEFORE THEY CAN SELL THEIR SERVICES. FIRMS INTERESTED IN THE AREAS LISTED ABOVE SHOULD CONTACT JAMES HORGAN, P.O. BOX 8719, SALALAH-DHOFA, SULTANATE OF OMAN, TELEX 7620 DHOPROV MB, OMAN: OR DHOFAR PROVINCE ENGINEER ABRAHAM VARGHESE, P.O. BOX 8040, UNCLASSIFIED

UNCLASSIFIED

PAGE 04 MUSCAT 01571 190924Z

SALALAH-DHOFA, SULTANATE OF OMAN. WE ALSO SUGGEST THAT SUITABLE CONTACTS COULD BE MADE THROUGH AID'S OFFICE OF COUNTRY-FINANCED SERVICES (AID/SER/CFS), OR ROBERT DODSON, REGIONAL AID ATTACHE IN BAHRAIN. WE REQUEST THAT THE EMBASSY BE INFORMED OF ALL CONTACTS BY PRIVATE SECTOR FIRMS WITH THE

OFFICE OF THE GOVERNOR OF DHOFAR.  
WOLLE

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC DEVELOPMENT, PROVINCE, DHOFAR  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 19 DEC 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976MUSCAT01571  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760466-0330  
**From:** MUSCAT  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19761229/aaaaayxi.tel  
**Line Count:** 147  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION NEA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 MUSCAT 1512  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** schwenja  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 22 JUN 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <22 JUN 2004 by chengls>; APPROVED <27 AUG 2004 by schwenja>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** COMMUNITY DEVELOPMENT IN DHOFAR PROVINCE--SMALL IS BEAUTIFUL  
**TAGS:** EGEN, EAID, BEXP, MU  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006